

## Success Stories/Lessons Learned Template

Please provide the following data:

**Headline (Maximum 300 characters):** Babichi found an opportunity to fill the gap with honey.

**Body Copy (Maximum 5,000 characters):** Yewalashet Yigezu lives in Anfillo, a coffee growing and evergreen region in Western Ethiopia. By trade, she is a coffee grower and trades her products in the local market. But when the coffee season is over, she is forced to purchase honey from beekeepers who burn their beehives. In this traditional way of beekeeping, the honeycombs are cut and honey is extracted, while the home of the bees along with possible future harvests are destroyed in the burning hive. During one of her many coffee off seasons, Yewalashet went to the capital city of Addis Ababa as usual, but this particular trip changed her life. This time while she was in Addis Ababa, she heard about the Ethiopia Sustainable Agribusiness Incubator (ESAI) project implemented by Precise Consult International through a cooperative agreement with USAID. The ESAI project was looking for start-up businesses in beekeeping and bee products processing. Yewalashet immediately applied to be an apiculture agribusiness incubatee of the ESAI project.

Despite Ethiopia's long existing culture of beekeeping, diverse agro-ecology, unique natural flora ideal for beekeeping, high number of beehives per smallholder and larger output potential, there are little to no Value-Adding Enterprises in the country's apiculture industry. But with a high demand for organic and natural honey in a country with minimal chemical usage surely there must be numerous organic honey suppliers, right? That's what Yewalashet thought. But she was wrong once she read the deep-dive apiculture value-chain study from the ESAI project. At the face of increasing demand for natural and organic honey in the world market, Yewalashet soon realized that her fellow beekeepers were destroying bee colonies, producing minimal output and supplying low quality products for low-end markets at trivial prices. She suddenly was inspired to fill this gap.

‘Coming across the deep-dive study at the ESAI program was a milestone in my business experience’ she said, as she was inspired to upgrade beekeeping practices of her fellow beekeepers and coffee growers. This inspiration gave birth to “Babichi Agroforestry PLC”, a company established with a vision to enhance the beekeeping industry in Western Ethiopia, encourage beekeepers to get organized, collect crude honey in bulk from producer groups, purify honey and beeswax and sell to both export and local high-end markets.

With the technical support of Precise Consult International through the ESAI program, Babichi was registered and legally established. The company signed a Memorandum of Understanding to work with 670 beekeepers in Lalo Asabe, 439 beekeepers in Anfillo and 130 beekeepers in Gidami woredas. In addition, Babichi also made agreements with livestock development agencies in the respective areas to assist with the training of beekeepers and with the crude honey purchase arrangements.

The company rented a processing and packaging facility in the city of Nekemte, Wollega Zone and signed a 10-year lease. On top of that, necessary renovations and constructions were made to meet international standard requirements for a bee products processing unit. Processing machinery has also been ordered from a local technologist who imports and assembles equipment.

Following the establishment and strategic linkage creation, Babichi secured a 447, 665.00 ETB grant fund from SNV Ethiopia-ASPIRE project for the training of beekeepers on way to improve beekeeping. In addition, using loan guarantee facility of this project Babichi also secured 3.35 million ETB input loan for the provision of modern production equipment for beekeepers on a credit basis. Currently, the company is also in the process of securing a working capital loan by providing assets from their sister coffee business as collateral.

Yewalashet’s Babichi, which was just an idea, has now championed the very first honey processing enterprise in Wollega zone of Western Ethiopia. The company is preparing to participate at two international market trade fairs; Gulf food in Dubai and Biofach in Germany. Babichi aims to secure export market contracts through their participation and hopes to sell to high-end local and global markets.

**Pullout Quote (Optional, 1,000 characters):** “Babichi Agroforestry PLC, a company established with a vision to enhance the beekeeping industry in Western Ethiopia, encourage beekeepers to get organized, collect crude honey in bulk from producer groups, purify honey and beeswax and sell to both export and local high-end markets.”

**Background Information (3,000 characters):**

ESAI is a three-year project funded by USAID’s Feed the Future initiative and contributes to DO1 of the USAID/Ethiopia Country Development Cooperation Strategy (CDCS) – “Increased Economic Growth with Resiliency in Rural Ethiopia”. The ESAI project offers business solutions to identified value chain problems in three select subsectors: sesame, honey and dairy. Through a transparent and rigorous process, the project selects and supports entrepreneurs and/or existing companies with innovative business ideas that will contribute to the alleviation of the identified value chain issues in the three sub-sectors.

Beekeeping is an important economic activity in Ethiopia and the country ranks tenth in honey production and fourth in beeswax production worldwide. However, despite its rich endowment honey production remains highly underexplored. The current honey production levels stand at a paltry 43,000 MT of honey and 3,000 MT of beeswax, which is only about 10% of the country’s potential. Aside from not meeting this potential, the quality of honey produced in the country is very poor. The poor quality and low productivity of honey production is due to the fact that 95% of beekeepers engage in traditional beekeeping practices and do not use improved technology. For this reason, income from the apiculture sub-sector is minimal sector coordination is poor and there is limited access to financial services and international markets for existing beekeepers.

Babichi is operating in the Wollega zone of Western Ethiopia, an area known for having a very high potential for production of good quality honey. The absence of honey processing companies operating in the area contributes to the limited demand and low price level of the raw honey; creating a gap in the industry and discouraging farmers from producing more. Babichi is the first honey processing company in Wollega and serves as a model for companies that can bridge the gap by buying raw honey from smallholder beekeepers at a reasonable price and refining the honey so it can be sold for higher prices at local and international markets. Babichi is a for-profit social enterprise that provides local jobs for the community, empowers smallholder beekeepers, increases honey productivity in the region and sells high quality Ethiopian honey to the rest of the world. The company is preparing to participate at international market trade fairs; Gulf Food in Dubai and Biofach in Germany.

**Contact Information (300 characters):**

Amanuel Assefa

Deputy Chief of Party for the Ethiopia Sustainable Agribusiness Incubator (ESAI) Project under  
Precise Consult International PLC

Telephone: +251 926-797850 (m)

Email: Kidus\_aman@yahoo.com